



Update

Quarter 4
2010

As the saying goes - time flies when you're having fun, and I'm delighted to report that an excellent final quarter positively flew by, capping an encouragingly successful year for Acorn's Commercial & Development Division.

We carried a strong pipeline from a busy summer into October, and whilst inevitably a few deals failed to make it over the line before the festive break, we finished comfortably ahead of target, whilst retaining a healthy pipeline coming into 2011.

There is little or no evidence to suggest that the recession is over, indeed I suspect that the full effect is yet to hit many businesses and individuals; particularly those dependant on public sector budgets. For private businesses that began to suffer back in 2008, and have subsequently managed to weather the storm, however, 2 years appears to have been sufficient to allow most to restructure and re-focus for a tougher market place. We count ourselves amongst those businesses that are fighting fit, and relishing whatever 2011 may throw at us.

For the fourth or fifth consecutive 'Update', I can't offer any positive news in respect of the availability of debt in the property market, however, funding restrictions continue to ensure that investment yields remain keen and land values hold at a realistic level, thus fuelling the fire for cash rich and well-funded buyers.

In terms of **commercial** property activity specifically, the final quarter of 2010 saw us complete the sale and letting of shops, offices, restaurants, industrial units and commercial freeholds, including properties in Crystal Palace, Bromley, Walworth and Beckenham. We've also been busy working on a number of longer term projects, most notably securing pre-lets to Travelodge and Waitrose within a proposed new landmark scheme in Sidcup.

Market evidence suggests that **investment** yields hardened again during the second half of 2010, with the best suburban properties rarely selling at better than 6% NIY regardless of the covenant, and most properties more commonly capitalising at 10-12% NIY. With such healthy returns available, and in the attractive form of bricks and mortar, cash rich investors have been happily adding to their portfolios. We concluded the sale of investments in Beckenham and Herne Hill during the final quarter, and are currently marketing a portfolio of lock-up shop investments across South East London on behalf of a private offshore client.

Whilst **development** finance remains somewhat of a fairytale, our pipeline of development sales continues to grow steadily. Over the last 3 months we completed the sale of development opportunities in Blackheath, Beckenham, Brockley, Catford, Crayford and two in Sidcup. We also put sites in Ightham, Bromley, Abbey Wood and

Chislehurst under offer. Again cash is king, but the right site is readily saleable at sensible money.

Our corporate and institutional client base continues to grow - we hope as a result of such organisations recognising the difference that a niche independent agent can make, particularly in a tough market. We're currently offering properties for sale or to let on behalf of Bellway Homes, St James, PricewaterhouseCoopers and Kent County Cricket Club, and have recently concluded deals for Bromley Council, Barnardos and the Jehovah's Witnesses. We pride ourselves in offering a bespoke and very personal service, with the ultimate aim of maximising value for every client in respect of each individual property. With this in mind I am very confident that we can be more effective than many larger, international agents, particularly when it comes to the disposal or acquisition of property in Greater London or the South East.

It's very rare (in fact never before) that I can claim to be a trend-setter, however, the use of social networking sites as a business tool is growing in popularity and a number of our colleagues and clients have followed our lead by launching pages on Twitter. We tweet most days with news of new instructions, deals etc, so follow us at www.twitter.com/acorncommercial.

In other PR news, we launched a striking new design for our agency boards during the final quarter of the year, and at the time of writing most of our old boards have already been replaced. Tom and I will also be in Cannes in early March for the annual MIPI international property convention.

We're delighted to welcome Hollie Martin to the team as Office Manager. Hollie has experience in the property industry, and has also worked in the offices of Burberry and ITV as an administrative manager and PA. Tom and I have no doubt that Hollie will prove an asset to the Division, and of great assistance to our clients. We remain keen to recruit the right candidate for a negotiator/projects manager position, and interested parties are encouraged to contact Tom or I personally, or email a CV to commercial@acorn.ltd.uk.

Please either telephone our offices or click on www.acorncommercial.co.uk for details of our latest instructions. We'd also be delighted to provide you with a free market appraisal in the event you are currently considering the disposal of a commercial property, investment or development opportunity. As always, I trust the remainder of this update proves interesting reading, and welcome any questions or comments it may provoke.



Jeff East - Director
jeff.east@acorn.ltd.uk

Sidcup

Acorn's Commercial & Development Division has been instrumental in the assembly, acquisition and promotion of a landmark commercial development project on Sidcup's busy High Street.

Having sold an office and retail investment to speculators Hillingdon Developments, we subsequently assisted with the acquisition of the redundant former Black Horse public house adjacent.

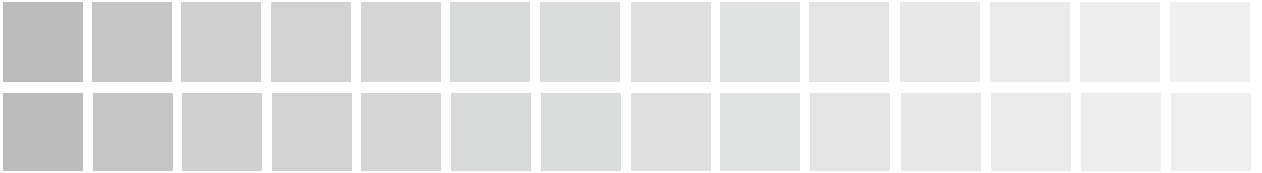
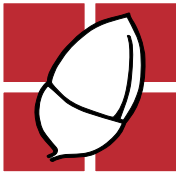
Working closely with BHD Architects, a scheme incorporating the retention of the Listed pub façade, and comprising ground floor retail space with 80 much-needed hotel rooms above has been conceived for the prominent corner site.

Far from being an idealistic concept, the majority of the scheme has been pre-let to Travelodge and Waitrose, which will ensure a prompt start on site in the event that Bexley Council approves the planning application that is currently under consideration.

Two retail units within the proposed scheme remain available to pre-let. At 159 and 318 sqm, both will benefit from A5 use and will sit either side of the proposed entrance to the hotel.

Please contact our offices if you require any further information regarding the proposed scheme, available units, or if we can be of assistance in respect of a similar project you may be pursuing.





SOLD

Blackheath

Substantial period building approximately 5,000sqft in half acre plot on Cator Estate previously used as a nursing home, sold to a private buyer with consent for reversion to a family home.



SOLD

Beckenham

Freehold mixed commercial and residential investment comprising lock-up shop on ground floor with 2 two bedroom flats above. Fully let, in excellent condition, adjacent to High Street - sold to cash investor.



SOLD

Brockley

This redundant former ironmongery works in the Brockley Conservation Area was sold to local developers Hambridge Homes with full planning permission for the construction of a new block comprising 8 two bedroom flats.



SOLD

Crayford

A block of derelict garages in an attractive residential street sold by auction with full planning permission for the construction of a single detached 2/3 bedroom house.



SOLD

Peckham

A derelict double shop on Queens Road with a large residential apartment over and further development potential, sold by auction on behalf of a private client to a local owner-occupier.



LET

Crystal Palace

A prominent corner office building arranged over 4 stories with rear yard let to a media firm on behalf of private clients, to whom we sold new premises earlier in the year.



SOLD

Herne Hill

A prime industrial investment set in a regeneration zone with longer term development potential. Income producing and comprising 4 separate units, the property was sold to a private investor.



LET

Walworth

A prominent corner building on the main Walworth Road comprising ground floor lock-up and two floors over. The entire building has been let on a long commercial lease to a restaurant operator.